

30-025-40912

HOBBS OCD

SURFACE USE PLAN

JAN 09 2013

Devon Energy Production Company, LP

Rattlesnake Unit 13-12 Fed 1H

EG 1-10-2013
RECEIVED

Surface Location: 330' FSL & 330' FEL, Unit P, Sec 13 T26S R34E, Eddy, NM

Bottom hole Location: 330' FNL & 430' FEL, Unit A, Sec 12 T26S R34E, Eddy, NM

1. Existing Roads:

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Basin Surveys.
- b. All roads into the location are depicted on Exhibit 3.
- c. Directions to Location: In Jal, NM, at the intersection of state road 128 (E. Kansas Ave.) and Third street, State Hwy 205, CR 3, Go south then southwest 8.6 miles to caliche road on right (west) "Beckham", go west 3.95 miles, road intersection east-west-north, go west 1.4 miles to road intersection north-south-east-west turn right (north) Go 3.8 miles to road intersection, turn right go 0.65 miles to road intersection north south-east-west, turn right on caliche road 0.65 miles. Site is 100 ft on the right.
- d. There are no plans to maintain/improve access route. If access road used solely by Devon, Devon would maintain as required. If access road was shared by other operators, Devon would share costs to maintain access road as required.

2. New or Reconstructed Access Roads:

- a. The maximum width of the road will be 14'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- b. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- c. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

One Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat.

4. Location of Existing and/or Proposed Production Facilities:

- a. In the event the well is found productive, the Rattlesnake 13-12 Fed 1H tank battery would be utilized, and the necessary production equipment will be installed at the well site. The tank battery would be located at the Rattlesnake 13-12 Fed 1H well pad located in Sec 13-T26S-R34E. Flow lines will be set alongside of the access road, where applicable. When said flow lines are needed, a plat and a sundry notice will be filed with your office.
- b. See interim reclamation diagram.
- c. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set alongside of the access road, where applicable. If said power poles are needed, a plat and a sundry notice will be filed with your office.
- d. If the well is productive, rehabilitation plans are as follows:
 - i. A closed loop system will be utilized.
 - ii. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in the C-102. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

6. Construction Materials:

The caliche utilized for the drilling pad and proposed access road will be from minerals that are located onsite or will be used onsite. If minerals are not available onsite, then an established mineral pit will be used to build the location and stem road.

7. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed of.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.

- f. Disposal of fluids to be transported by the following companies:
 - i. American Production Service Inc, Odessa TX
 - ii. Gandy Corporation, Lovington NM
 - iii. I & W Inc, Loco Hill NM
 - iv. Jims Water Service of Co Inc, Denver CO
- 8. **Ancillary Facilities:** No campsite or other facilities will be constructed as a result of this well.
- 9. **Well Site Layout**
 - a. Plat shows proposed well site layout with dimensions of the pad layout.
 - b. This exhibit indicated proposed location of sump pits and living facilities.
 - c. Mud pits in the active circulating system will be steel pits.
 - d. A closed loop system will be utilized.
 - e. If a pit or closed loop system is utilized, Devon will comply with the NMOCD requirements 19.15.17 and submit form C-144 to the appropriate NMOCD District Office. A copy to be provided to the BLM.
- 10. **Plans for Surface Reclamation:**
 - a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography. We will use a closed loop system.
 - b. The location and road will be rehabilitated as recommended by the BLM.
 - c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.
 - d. All disturbed areas not needed for active support of production operations will undergo interim reclamation. The portions of the cleared well site not needed for operational and safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Topsoil will be respread over areas not needed for all-weather operations.
- 10. **Surface Ownership**
 - a. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
 - b. The proposed road routes and the surface location will be restored as directed by the BLM.
- 11. **Other Information:**
 - a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sagebush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
 - b. There is no permanent or live water in the general proximity of the location.

- c. There are no dwellings within 2 miles of location.
- d. A Cultural Resources Examination will be completed by the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III Survey for cultural resources associated with their project within the BLM office in Carlsbad, New Mexico.

13. Bond Coverage:

Bond Coverage is Nationwide; Bond # is CO-1104

Operators Representative:

The Devon Energy Production Company, L.P. representatives responsible for ensuring compliance of the surface use plan are listed below.

James Allbee - Operations Engineer Advisor
Devon Energy Production Company, L.P.
333 West Sheridan
Oklahoma City, OK 73102-5010
(405) 228-8698 (office)
(405) 820-8682 (Cellular)

Don Mayberry - Superintendent
Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, NM 88211-0250
(575) 748-3371 (office)
(575) 746-4945 (home)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or Devon Energy Production Company, L.P. am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this 12th day of July, 2012.

Printed Name: Patti Riechers

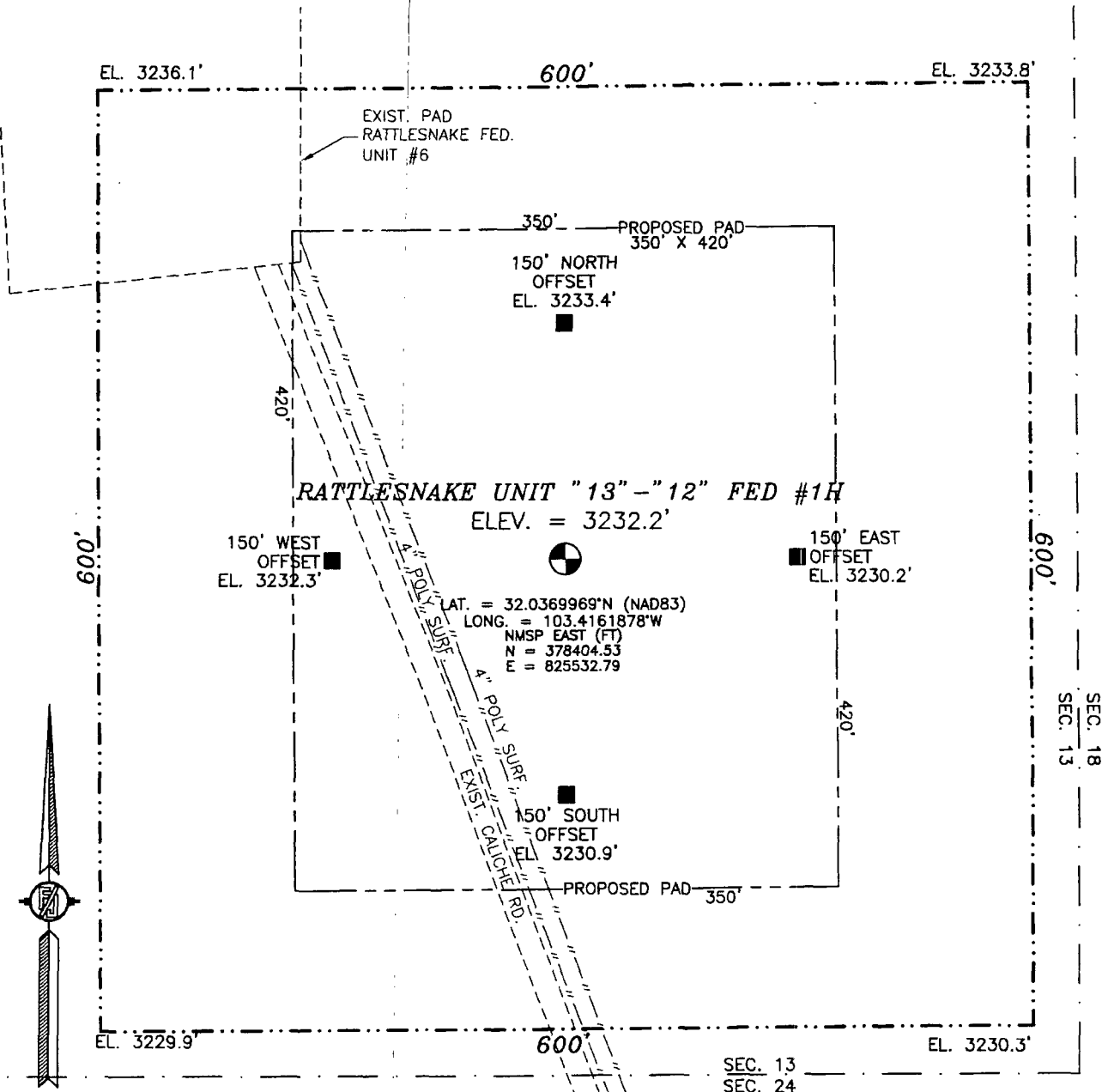
Signed Name: Patti Riechers

Position Title: Sr. Staff Operations Technician

Address: 333 W. Sheridan Avenue, OKC OK 73102

Telephone: (405)-228-4248

SECTION 13, TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO



010 50 100 200

SCALE 1" = 100'
DIRECTIONS TO LOCATION

IN JAL, NM AT THE INTERSECTION OF STATE ROAD 128 (E. KANSAS AVE.) AND THIRD STREET, STATE HIGHWAY 205, CR 3, GO SOUTH THEN SOUTHWEST 8.6 MILES TO CALICHE ROAD ON RIGHT (WEST) "BECKHAM" GO WEST 3.95 MILES, ROAD INTERSECTION EAST-WEST-NORTH, GO WEST 1.4 MILES TO ROAD INTERSECTION NORTH-SOUTH-EAST-WEST TURN RIGHT (NORTH) GO 3.8 MILES TO ROAD INTERSECTION, TURN RIGHT GO 0.65 MILES TO ROAD INTERSECTION NORTH-SOUTH-EAST-WEST, TURN RIGHT ON CALICHE ROAD 0.65 MILES, SITE IS 100 FT ON RIGHT.

DEVON ENERGY PRODUCTION COMPANY, L.P.
RATTLESNAKE UNIT "13"-"12" FED
#1H

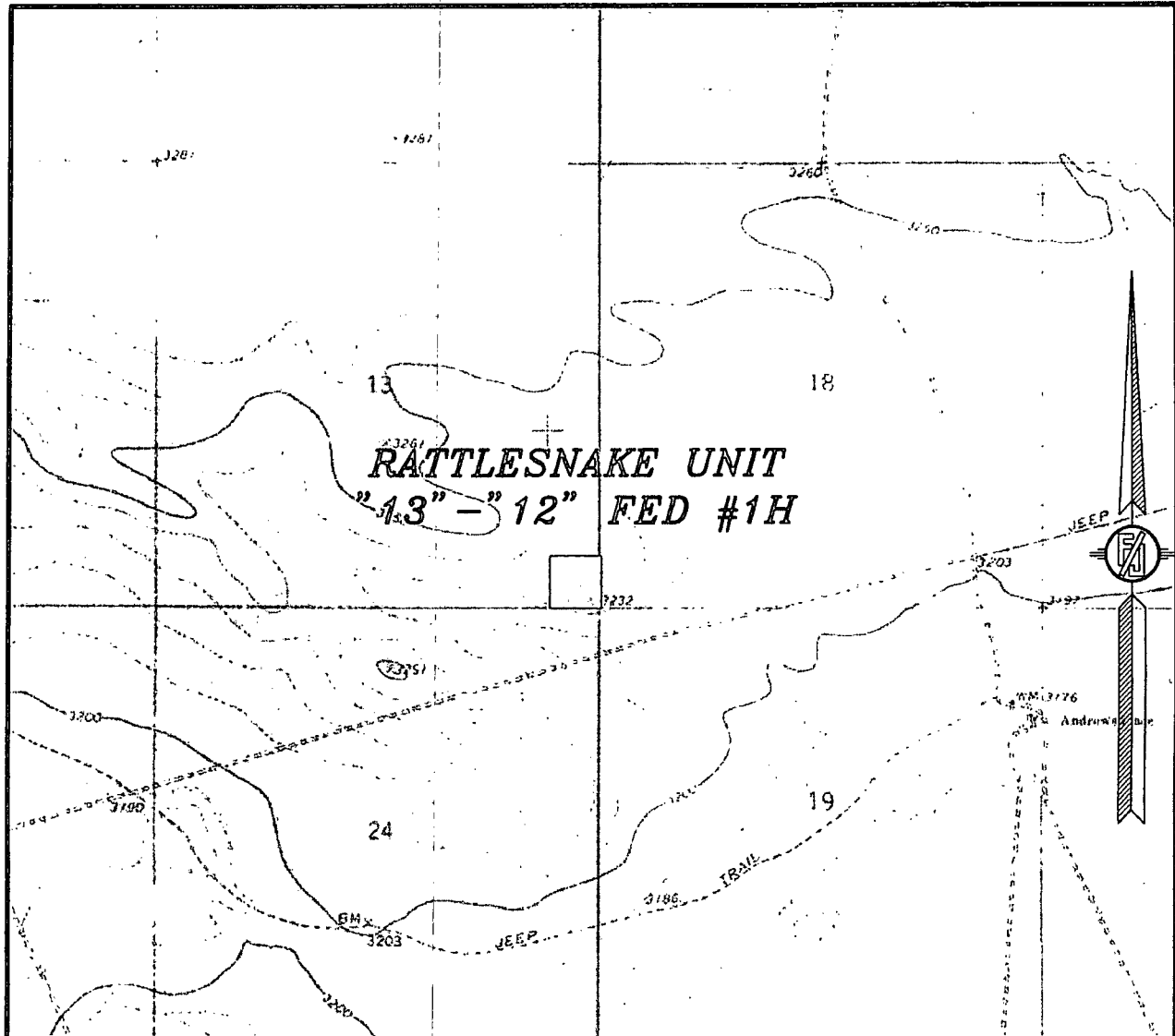
LOCATED 330 FT. FROM THE SOUTH LINE
AND 330 FT. FROM THE EAST LINE OF
SECTION 13, TOWNSHIP 26 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

JUNE 14, 2012

SURVEY NO. 1110

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 13, TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
ANDREWS PLACE, NM, TX

NOT TO SCALE

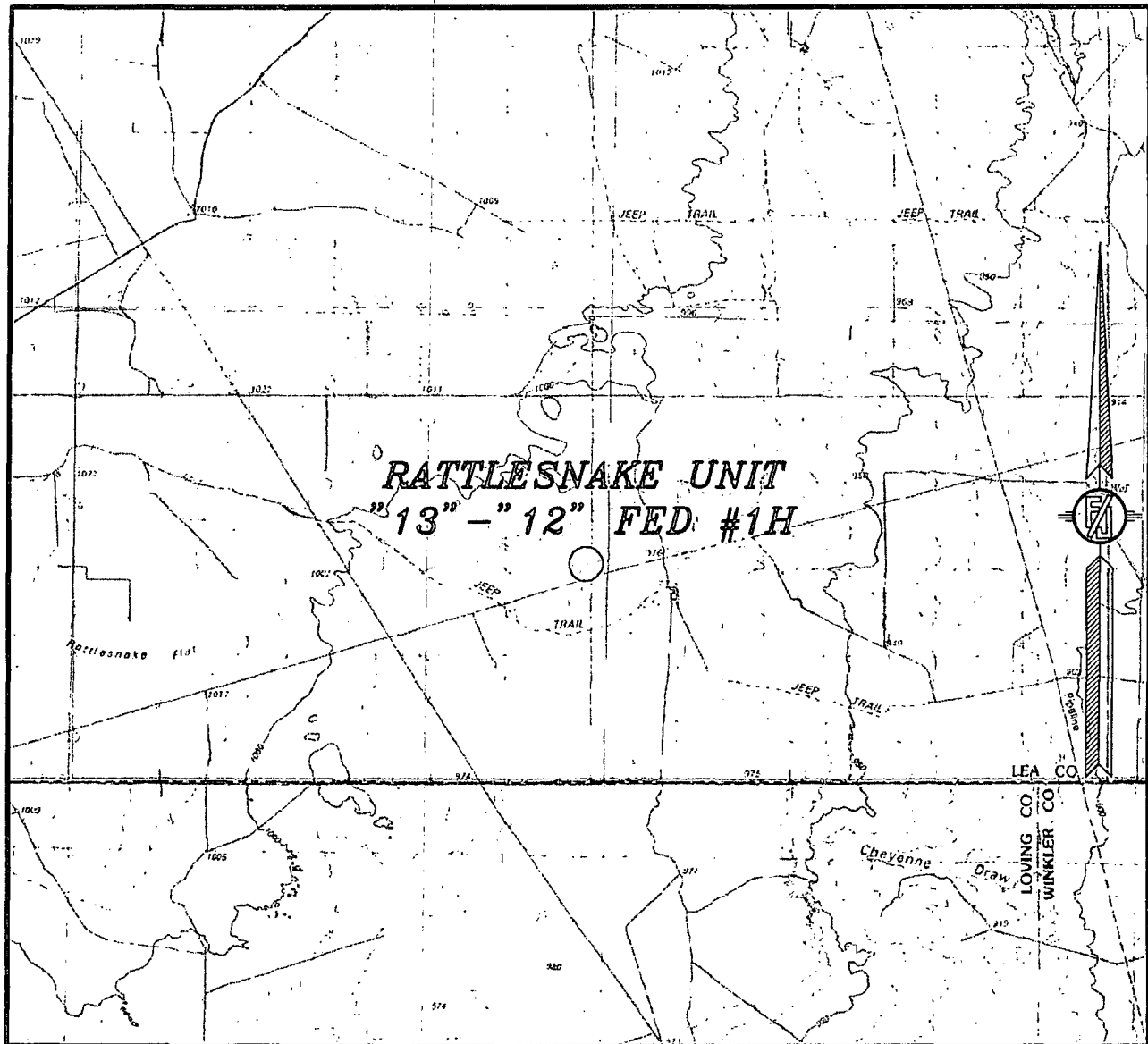
DEVON ENERGY PRODUCTION COMPANY, L.P.
RATTLESNAKE UNIT "13" - "12" FED #1H
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(575) 234-3341

SECTION 13, TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
VICINITY MAP



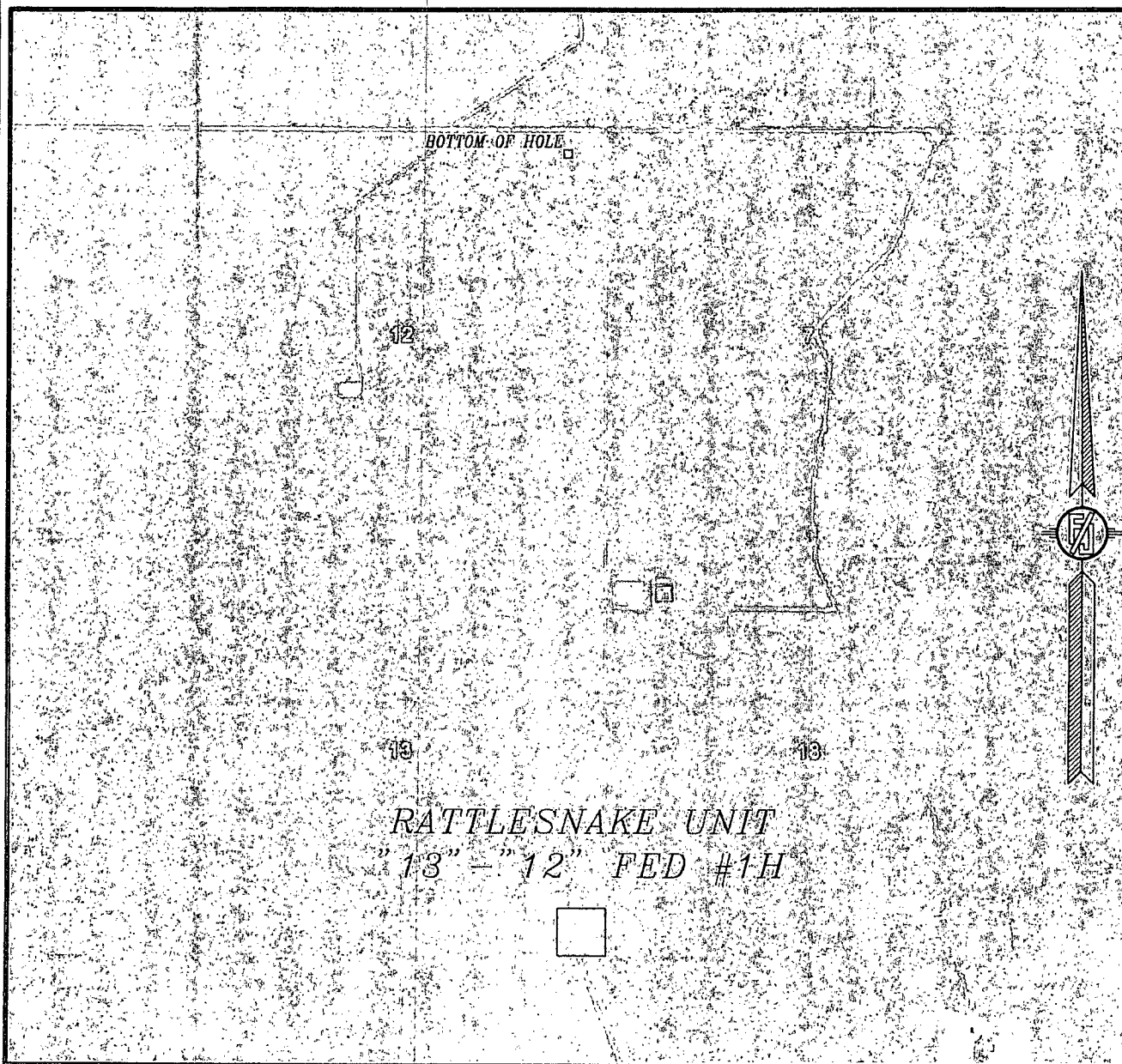
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(575) 234-3341

SECTION 13, TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MAY 2011

DEVON ENERGY PRODUCTION COMPANY, L.P.
RATTLESNAKE UNIT "13" - "12" FED #1H
LOCATED 330 FT. FROM THE SOUTH LINE
AND 330 FT. FROM THE EAST LINE OF
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RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

SURVEY NO. 1110

JUNE 14, 2012

MADRON SURVEYING, INC. 301 SOUTH CANAL
(575) 234-3341 **CARLSBAD, NEW MEXICO**

26S 34E

2

26S 35E

5

RATTLESNAKE UNIT "13" - "12" FED 1H
DEVON ENERGY

PERRO GRANDE UNIT #1

LEA-STATE JV #1

Estimated distance to
nearest wellbore 1230 ft W

1 MILE

BHL

11

12

7

8

MADERA "12" FEDERAL #1

RAGIN CAJUN "12" FED 1H

RATTLESNAKE UT "13" FED 2H

RENEGADE "BPG" FED 1H

RATTLESNAKE FED 7

14

13

18

17

RATTLESNAKE FED 3

Estimated distance to
nearest wellbore 725 ft SSW

RAGIN CAJUN "14" FED 1H

1 MILE

RAGIN CAJUN "13" FED 2H
RAGIN CAJUN "13" FED "1H"

MADERA "24" FEDERAL #3H

RATTLESNAKE UNIT "13-12" FED 1H
MADERA "19" FED 3H

devon DEVON ENERGY

1 Mile Radius Map

Rattlesnake Unit "13" - "12" Fed 1H

0 2,335
FEET

WELL SYMBOLS

- Oil Well
- ⊙ Gas Well
- Dry Hole
- Location Only

MADERA "24" FEDERAL #1

MADERA "19" FEDERAL #1

MADERA "19" FED 2H

MADERA "24" FEDERAL #2H

MADERA "25" FEDERAL #2H

Estimated distances to nearest wells:

Madera 24 Fed 2H	725 ft SSW
Rattlesnake Unit 13 Fed 2H	1330 ft W
Renegade "BPG" Fed 1H	700 ft E
Ragin' Cajun 12 Fed 1H	1230 ft W